

STATUTORY INSTRUMENTS

1995 No. 2518

The Value Added Tax Regulations 1995

PART XIV

INPUT TAX AND PARTIAL EXEMPTION

[^{F1}106.—(1) [^{F2}Where regulation 105A does not apply then, subject to regulations 106A and 106ZA(1)], where relevant input tax—

- (a) in any prescribed accounting period, or
- (b) in the case of a longer period, taken together with the amount of any adjustment in respect of that period under regulation 107B—
 - (i) does not amount to more than £625 per month on average, and
 - (ii) does not exceed one half of all his input tax for the period concerned,all such input tax in that period shall be treated as attributable to taxable supplies.

(2) In the application of paragraph (1) above to a longer period—

- (a) any treatment of relevant input tax as attributable to taxable supplies in any prescribed accounting period shall be disregarded, and
- (b) no account shall be taken of any amount or amounts which may be deductible or payable under regulation 115.

(3) For the purposes of this regulation, relevant input tax is input tax attributed under regulations 101, 102, 103, 103A [^{F3}, 103B] and, where the case arises, regulation 107, to exempt supplies or to supplies outside the United Kingdom which would be exempt if made in the United Kingdom (not being supplies specified in an Order made under section 26(2)(c) of the Act.)]

Textual Amendments

- F1** Reg. 106 substituted (18.4.2002 in relation to input tax incurred by a taxable person on goods imported or acquired by, or goods or services supplied to, him on or after that date) by [The Value Added Tax \(Amendment\) Regulations 2002 \(S.I. 2002/1074\)](#), regs. 1, 4
- F2** Words in reg. 106(1) substituted (1.4.2010) by [The Value Added Tax \(Amendment\) Regulations 2010 \(S.I. 2010/559\)](#), regs. 1, 7
- F3** Word in reg. 106(3) inserted (3.12.2004) by [The Value Added Tax \(Amendment\) \(No. 4\) Regulations 2004 \(S.I. 2004/3140\)](#), regs. 2(3), 12

Commencement Information

- I1** Reg. 106 in force at 20.10.1995, see [reg. 1](#)

Changes to legislation:

There are currently no known outstanding effects for the The Value Added Tax Regulations 1995, Section 106.